

Jefferson County
Finance Committee Minutes
August 9, 2012

Committee members: Braughler, James B.
Hanneman, Jennifer
Jones, Richard C. (Chair)
Mode, Jim
Molinaro, John

1. **Call to order** – Richard Jones called the meeting to order at 8:30 a.m.
2. **Roll call (establish a quorum)** – All committee members were present except for Jennifer Hanneman which was excused. Staff in attendance was Gary Petre and Tammy Worzalla.
3. **Certification of compliance with the Open Meetings Law** – Gary Petre certified that the revised meeting agenda dated August 2, 2012 was properly noticed in compliance with the Open Meetings Law.
4. **Review of the agenda** – Item # 11 deferred until the next regular Finance Meeting.
5. **Citizen Comments** – None.
6. **Approval of Finance Committee minutes for July 12, 2012** – A motion was made by Mode/Braughler to approve the minutes for July 12, 2012 as drafted. The motion passed 4-0.
7. **Communications** – Gary Petre made reference to Ehlers bonding handout that will be discussed in agenda item #12.
8. **Discussion and possible action on request from MIS Systems staff to attend an out-of-state training seminar.** – John Rageth explained the need for the out-of-state travel for two MIS department staff to attend a training session in Colorado to upgrade our JD Edwards computer system to a newer version that the software company will continue to support. Our current system will only be supported by the software company through December 31, 2014. A motion was made by Molinaro / Braughler to approve. The motion passed 4-0.
9. **Discussion and possible action regarding the CliftonLarsonAllen management letter** – Tammy Worzalla explained that CliftonLarsonAllen have previously issued an unqualified opinion that our 2011 financial statements are free from material misstatement which is the highest level of assurance the County can receive. That said, the auditors issued a management letter which contained four issues for management to work on, but does not affect their previous issued opinion. She went over the first three issues and the plans to resolve these. The Highway Department handled the fourth issue.
 - a. The first is the controls over general disbursements. In the auditors' testing, one invoice of \$1,000 in the Sheriff's Department did not have the required purchase order. The Sheriff's Department was made aware of this and has changes their purchase order practices to conform to Jefferson County's policy.
 - b. The second was the segregation of duties for the Treasurer Department which requires another individual to review the bank statements separate from the individual that is involved in the preparation of the bank reconciliations. On a monthly basis, either the Finance Director or the Advanced Fund Accountant will review the bank statements online. An e-mail will be sent to the Treasurer upon completion of that task.

- c. The third issue was due to the review of the journal entries in the Finance Department. We have changed our method of recording journal entries to have only the Accounting Assistant enter all the journal entries. The Finance Director will still approve all journal entries and the journal entries created by the Finance Director will have the Advanced Fund Accountant review them.
 - d. The fourth issue was related to the Pit Closure Costs that are required to be estimated, recorded, and amortized over the time period until closure. Bill Kern and Greg Winter explained the issues related to implementing this procedure. They plan to work closely with the auditors on resolving this issue.
- 10. Discussion and possible action on the purchase of an air conditioner condensing unit compressor for the Human Services Department** – Terry Gard explained that this unit has already been replaced. He is requesting a transfer from the contingency fund to cover the cost of this emergency repair that was not budgeted for. A motion was made to transfer \$4,275.00 from the contingency fund 9802.599901 to the Human Services Department Maintain Machinery and Equipment account 5200.535242 by Mode/Molinaro. The motion passed 4-0.
 - 11. Discussion and possible action regarding the replacement of an emergency management vehicle** – This has been deferred to the next regular Finance Committee meeting.
 - 12. Ehlers estimates of the cost of bonding for a new Highway main facility** – Dawn Gunderson of Ehlers addressed the Finance committee with different scenarios of financing options from 10 year to 20 year bonding and the resulting tax impact that this would have on the County. No action was taken.
 - 13. Discussion and possible action on a resolution authorizing that an offer be submitted on the purchase of the old Countryside Home property including recommendation on funding the purchase** – The Infrastructure Committee met and had decided to hold off on taking a resolution to the full County Board at this time. Instead, the Infrastructure Committee authorized the County Administrator, Gary Petre to negotiate with the broker and bring his results back to the committee for discussion before they advance anything to the full County Board. This agenda item is on the Finance Committee's agenda to discuss the funding options available in the event the purchase is made. Gary Petre explained there are three options for funding. The funds could be used from the Highway Departmental budget, the contingency fund, or the General Fund. No action was taken at this time.
 - 14. Consideration of recommending confirmation of the Finance Director to the County Board** - Gary Petre introduced Brian Lamers as his selected top applicant for the Finance Director position. No action was taken.
 - 15. Update on contingency fund balance** – Tammy Worzalla directed the Finance Committee to the updated Contingency Fund schedule at the back of their packet. After agenda item #10, the general portion is now \$294,059.22, the other contingency fund remains at zero due to the July transfer of the 2% 2012 wage adjustment for non-union employees, and the vested benefits remains at \$244,001.50. No action was taken.
 - 16. Discussion regarding the status of development of the 2013 budget** – Gary Petre explained that all budgets, except for the Treasurer's Department, have been submitted to him for review. He commended the efforts of our various departmental committees' to aid in controlling costs to maintain our tax levy goals.
 - 17. Set future meeting schedule, next meeting date, and possible agenda items.** Agenda item #11 will be moved to the September meeting.

18. Payment of invoices After review of the invoices, a motion was made by Mode/Jones to approve the payment of invoices totaling \$ 590,482.36. The motion passed 4-0.

19. Adjourn – A motion was made by Mode/Braugher to adjourn at 10:00 a.m. The motion passed 4-0.

Respectfully submitted,

Jennifer Hanneman
Finance Committee Secretary
Jefferson County

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